



DEPARTMENT OF THE NAVY
THE ASSISTANT SECRETARY OF THE NAVY
(INSTALLATIONS AND ENVIRONMENT)
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

JUL 25 2005

MEMORANDUM FOR DISTRIBUTION

SUBJ: POLICY AND PROCEDURES FOR COMPETITION OF COMMERCIAL
ACTIVITIES BEING PERFORMED BY THE PRIVATE SECTOR

Ref: (a) Office of Management and Budget Circular A-76: Performance of
Commercial Activities

Normally, DoN will not compete against industry on commercial activities performed by the private sector. However, there are circumstances where such a competition would be in the best interests of the Department. These include excessive contract cost growth for reasons other than increased requirements; expected Government efficiencies that will produce savings significantly greater than savings expected to be achieved from the private sector; or performance significantly below expectations where corrective action is not implemented.

The Commander/Commanding Officer of the Echelon II command must endorse each nomination for competition of a commercial activity being performed by the private sector. The endorsement documentation must include, at a minimum, (a) description of the commercial activity and location(s) of performance; (b) current or most recent contract(s) and specific scope of work; (c) identification of requiring or customer organizations; (d) statement that Government personnel and resources necessary to perform the commercial activity are available; and, (e) rationale for competition and specific statement of benefits of conducting a competition.

The nomination package will be submitted to the appropriate Strategic Sourcing Program Manager (OPNAV N124 for Navy activities or HQMC LR for Marine Corps activities) for review. The Strategic Sourcing Program Manager will endorse and forward nominations to the Component Competitive Sourcing Official with copies to the Strategic Sourcing Acquisition Center of Excellence and the Strategic Sourcing Acquisition Center of Excellence Board of Directors. Nominations approved by the Component Competitive Sourcing Official will follow the procedures of reference (a), including the conduct of preliminary planning. If a streamlined competition is conducted, a solicitation will be issued.

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This policy will be incorporated into the next revisions of OPNAVINST 4860.7C
and MCO 4860.3D.



B J PENN

Assistant Secretary of the Navy (I&E)

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